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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

30 JUN 1982

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: US-Portuguese Base Negotiations (U)

(U) I share the President's concern, as expressed in your memorandum of 18 June, over our current negotiations and future security relationship with Portugal. A loss, or even a reduction, of our access to facilities in the Azores would be highly detrimental to our interests as they apply both to NATO and our efforts to improve our Rapid Deployment Force capability. Indeed, we not only want to make better use of those facilities, but to gain periodic or contingency access to bases on mainland Portugal as well. Growing uncertainties over the availability of Spanish bases in crisis situations outside of Europe add further importance to facilities in Portugal.

(U) Historically, our bilateral security relationship with Portugal has been on essentially a simple, mutually satisfactory, quid pro quo basis with the United States providing grant military and economic assistance and the Portuguese allowing us largely unrestricted use and transit rights in the Azores. The cost of our side of the bargain has been quite modest, as can be seen on the attached summary. What now has the Portuguese most distressed is our intention to eliminate grant military assistance (MAP) in the future. For both economic and political reasons, the Portuguese have made it clear that they are unwilling and unable to accept loans (FMS credit) as a substitute for grant aid.

(U) During the last round of negotiations in April, the Portuguese were emphatic that they would accept our "best efforts" pledge for future security assistance only if accompanied by a concrete program, consisting of MAP and increased economic assistance for the Azores, at the start of a new agreement. Against the historical backdrop of our bilateral security relationship with Portugal, we take this position at face value. Moreover, I doubt that we would even be able to get the Portuguese back to the negotiating table without the promise of future MAP.

~~Classified by: [redacted]~~  
~~Reviewed: 28 June 88~~  
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## SECURITY ASSISTANCE SUMMARY (Dollars in millions)

	<u>FY 83*</u>	<u>FY 82</u>	<u>FY 81</u>	<u>FY 80</u>	<u>FY 79</u>	<u>FY 78 &amp; FY 77</u>
<b><u>Portugal</u></b>						
Credits	90.0	45	0	0	0	0
MAP	1.0	10	91	30	25.7	370.4
IMET	2.6	1.8	1.8	1.7	2.5	16.1
ESF	<u>20.0</u>	<u>20</u>	<u>25</u>	<u>40</u>	<u>38.0</u>	<u>732.2</u>
Total	113.6	76.8	77.8	71.7	66.2	1118.7
<b><u>Spain</u></b>						
Credits	400.0	125.0	120	120	120	242.3
MAP	.5	0	3.6	3.8	42.4	643.7
IMET	3.0	2.0	2.6	2.1	2.0	37.1
ESF	<u>12.0</u>	<u>17.0</u>	<u>7.3</u>	<u>7.0</u>	<u>7.0</u>	<u>1059.1</u>
Total	415.5	144.0	133.5	132.9	171.4	1982.2
<b><u>Italy</u></b>						
Credits	0	0	0	0	0	.3
MAP	0	0	0	0	0	2243.7
IMET	0	0	0	0	0	46.6
ESF	<u>0</u>	<u>0</u>	<u>4.7</u>	<u>3.0</u>	<u>3.6</u>	<u>2162.0</u>
Total	0	0	4.7	3.0	3.6	4452.6
<b><u>Greece</u></b>						
Credits	280.0	280	176	145	140	712.5
MAP	.87	0	.4	1.3	32.3	1649.9
IMET	1.7	1.2	1.1	1.2	0	46.3
ESF	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1429.1</u>
Total	282.57	281.2	177.5	147.5	172.3	3837.8
<b><u>Turkey</u></b>						
Credits	465.0	343.0	250	203	175	610
MAP	.6	57.0	1.1	4	5.0	3130.0
IMET	3.5	2.5	1.7	1.4	.3	111.1
ESF	<u>350.0</u>	<u>300</u>	<u>201</u>	<u>198.1</u>	<u>69.7</u>	<u>2818.9</u>
Total	819.1	702.5	453.8	406.5	250.0	6670.0

\* FY 83 - proposed

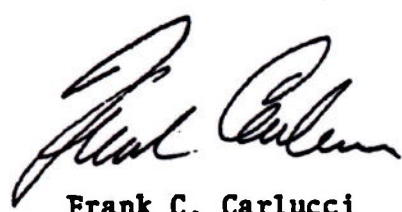
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(✓) Taking the foregoing into account, I believe that our national interests dictate reconsideration of our security assistance proposals for Portugal and that we undertake a maximum effort to win Congressional approval for the following:

- (✓) FY83: \$50 million in MAP; increase ESF from \$20 million to \$30 million; and delete the presently proposed \$90 million in FMS credits.
- (✓) FY84: \$75 million in MAP; \$45 million in ESF; and \$3.5 million in IMET.

(✓) Within the Department of Defense, we are searching for ways to facilitate Portuguese acquisition of a second squadron of A-7P aircraft. We are also supporting Portuguese efforts to construct three new frigates using multi-national contributions. However, realization of either or both of these projects will still depend primarily on the amount and form of security assistance we provide in annual programs, which I believe will require grant military assistance at the levels that I have suggested.

  
 Frank C. Carlucci  
 Deputy Secretary of Defense

Attachment  
a/s

Office of the Secretary of Defense  
 Chief, RDD, ESD, WHS  
 Date: 05 JUL 2018 Authority: EO 13526 ~~TSUSC 882~~  
 Declassify: X Deny in Full: \_\_\_\_\_  
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